

Message Text

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ACTION OES-07

INFO OCT-01 NEA-10 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13
L-03 NSAE-00 NSC-05 EB-08 NRC-05 SOE-02 DODE-00
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R 031056Z APR 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 618
INFO AMEMBASSY ISLAMABAD
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

LIMITED OFFICIAL USE SECTION 1 OF 2 NEW DELHI 5069

E.O. 11652: N/A
TAGS: MNUC, TECH, IN
SUBJECT: G.K. REDDY ON INDO-US NUCLEAR RELATIONS

BEGIN UNCLASSIFIED:

1. HERewith THE TEXT OF AN ARTICLE IN THE HINDU OF
APRIL 1 BY ITS DELHI CORRESPONDENT, G.K. REDDY. THE
ARTICLE, AN ANALYSIS OF INDO-US NUCLEAR RELATIONS,
APPEARED ON PAGE 7 UNDER THE HEADLINE "NUCLEAR DIALOGUE:
VELLODI GOING TO US."

BEGIN TEXT:

THE INDO-U.S. DIALOGUE ON THE NUCLEAR ISSUE WILL
BE RESUMED SHORTLY AS A PRELUDE TO THE HIGH-LEVEL EXCHANGES
THAT ARE BOUND TO TAKE PLACE DURING THE PRIME MINISTER'S
FORTHCOMING VISIT TO WASHINGTON.

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THE SECRETARY IN THE MINISTRY OF EXTERNAL AFFAIRS,
MR. M.A. VELLODI, WHO HAS BEEN DEALING WITH THIS
SENSITIVE SUBJECT, WILL BE MEETING THE U.S. ASSISTANT
SECRETARY OF STATE, MR. JOSEPH NYE, THE CHIEF NEGOTIATOR
OF THE STATE DEPARTMENT ON NUCLEAR PROBLEMS, WHEN HE
GOES TO NEW YORK NEXT WEEK FOR THE FIFTH AND FINAL
CONCLAVE OF THE 54-NATION PREPARATORY COMMITTEE OF THE

U.N. SPECIAL SESSION ON DISARMAMENT.

THEY ARE DUE TO MEET EITHER IN NEW YORK OR WASHINGTON TO KEEP OPEN THE INDO-U.S. DIALOGUE ON NUCLEAR CONTROLS AND RELATED MATTERS, DESPITE THE DIFFERING APPROACHES OF THE TWO COUNTRIES TO THE VERY CONCEPT OF NON-PROLIFERATION, IN AN EFFORT TO CLARIFY THE COMPLEX ISSUES AND EXPLORE THE POSSIBILITIES OF NARROWING DOWN THE DIFFERENCES CONSISTENT WITH THEIR RESPECTIVE POSITIONS. THE IDEA IS THAT THERE SHOULD BE GREATER CLARITY OVER THE POLITICAL, LEGAL AND TECHNICAL ASPECTS OF THE PROPOSED CONTROLS, CONTRACTUAL OBLIGATIONS AND THE PROFESSED NON-PROLIFERATION OBJECTIVES, BEFORE PRESIDENT CARTER AND MR. MORARJI DESAI CAN TAKE ANOTHER CLOSE LOOK AT THIS HIGHLY COMPLICATED PROBLEM.

THE CONTINUED UNCERTAINTY AND EXASPERATING DELAYS OVER THE SHIPMENT OF ENRICHED URANIUM FUEL FOR THE TARAPUR ATOMIC POWER PLANT ARE ONLY ONE ASPECT OF THE DEEPENING CONTROVERSY OVER THE NATURE AND EXTENT OF INTERNATIONAL CONTROLS AND SUPERVISION. THE CARTER ADMINISTRATION IS, NO DOUBT, DOING ITS BIT TO MEET THE BARE REQUIREMENTS PENDING THE OUTCOME OF THE PROTRACTED DISCUSSIONS ON THE MORE FUNDAMENTAL ISSUE OF FULLSCOPE SAFEGUARDS ON INDIA'S NUCLEAR PROGRAMME. BUT THE WAY THE U.S. NUCLEAR REGULATORY COMMISSION (NRC) HAS BEEN DRAGGING ITS FEET BY PANDERING TO THE WHIMS AND FANCIES OF THE LIMITED OFFICIAL USE

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ENVIRONMENTALISTS IS QUEERING THE PITCH FURTHER BY ENCOURAGING THE CONGRESSIONAL HAWKS TO TAKE UP A TOUGHER LINE.

THE U.S. BRINKMANSHIP, IN THREATENING TO CUT OFF THE FUEL SUPPLIES TO TARAPUR IF INDIA DID NOT SIGN ON THE DOTTED LINE, IS NOT CAUSING ANY GREAT CONCERN IN DELHI BECAUSE OF THE INHERENT LIMITATIONS OF THE

AMERICAN CAPACITY TO EXERT UNDUE PRESSURES ON THIS COUNTRY, WITHOUT DEFEATING THE VERY PURPOSES OF ITS NON-PROLIFERATION LEGISLATION. A CAREFUL STUDY OF THE NEW ACT WILL BRING TO LIGHT THAT ITS BASIC PURPOSE IS NOT SIMPLY

TO USE THE COMMITMENT OF AN ASSURED FUEL SUPPLY AS A POLITICAL LEVER FOR COMPELLING COUNTRIES LIKE INDIA TO SUBMIT FULLY TO THE BROADER OBJECTIVES OF NON-PROLIFERATION, BUT ALSO CONSTRAIN THEM FROM PROCEEDING WITH THEIR BREEDER AND REPROCESSING PROGRAMMES UNTIL ALTERNATIVE FUEL CYCLES HAVE BEEN DEVELOPED FOR PREVENTING THE SPREAD OF WEAPONS GRADE PLUTONIUM.

AS LONG AS THE U.S. FULFILLS ITS CONTRACTUAL OBLIGATION,
IT WILL CONTINUE TO RETAIN THE RIGHT, THROUGH THE "JOINT
DETERMINATION" PROVISION, TO RESTRAIN INDIA FROM REPROCESSING
THE FUEL WASTES AT TARAPUR IN TERMS OF THE EXISTING
AGREEMENTS. BUT THE MOMENT IT REPUDIATES THE
COMMITMENT TO SUPPLY ENRICHED URANIUM, THE U.S. WILL
AUTOMATICALLY FREE INDIA FROM ITS VETO ON THE
UTILISATION OF SPENT FUEL WITHOUT ITS PRIOR AUTHORISATION.
THE INDIAN NEGOTIATORS ARE NOT UNAWARE OF THE PARALLEL
LEVERAGE THAT INDIA HAS IN DISCOURAGING THE U.S. FROM
CUTTING OFF THE FUEL SUPPLY IN A PRECIPITATE FASHION.

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THE U.S. IS NOT OPPOSED TO BREEDER RESEARCH AS SUCH,
BUT ONLY A PREMATURE MOVEMENT TOWARDS IT BEFORE THE
INTERNATIONAL COMMUNITY HAS EVOLVED AN ALTERNATIVE
PROLIFERATION-FREE FUEL CYCLE. THE NEW INTERNATIONAL
NUCLEAR FUEL CYCLE EVALUATION PROGRAMME (INCEP) INITIATED
BY THE UNITED STATES IN WHICH AS MANY AS 37 COUNTRIES
INCLUDING INDIA ARE PARTICIPATING AT PRESENT, IS
INTENDED TO OPEN THE WAY FOR THE NEXT GENERATION FUEL
CYCLES AND REPROCESSING TECHNIQUES THAT WOULD PRECLUDE
THE PRODUCTION OF PURE PLUTONIUM. IF THE INTENTION IS
TO DISPENSE WITH THE CONVENTIONAL "PUREX" REPROCESSING
TECHNOLOGY AND TO GO IN FOR SAFER CYCLES THAT DO NOT
PRODUCE AS A BY-PRODUCT WEAPONS GRADE PLUTONIUM, THE
VERY PURPOSE WILL BE DEFEATED BY COMPELLING A COUNTRY

LIKE INDIA TO EXERCISE ITS SOVEREIGN RIGHT TO REPROCESS
THE ACCUMULATED FUEL WASTE AT THE FACILITY THAT IT HAS
BUILT AT TARAPUR ITSELF AT CONSIDERABLE EXPENSE WITH
U.S. CONCURRENCE FOR EXTRACTING PLUTONIUM THAT WILL BE
REQUIRED FOR DEVELOPING ALTERNATIVE FUEL MIXTURES
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FOR RUNNING THE PLANT.

A REASSURING FACTOR IN THE PROLONGED INDO-U.S.
PARLEYS IS THAT THE CARTER ADMINISTRATION IS QUITE
CONSCIOUS OF THIS SELF-DEFEATING ASPECT IN ATTEMPTING
TO PRESSURE INDIA BEYOND A POINT. THE NRC ALSO IS AWARE
OF THE INHERENT RISKS INVOLVED IN REFUSING FURTHER LICENCES
FOR THE SHIPMENT OF FUEL SUPPLIES WHILE THE NEGOTIATIONS
ARE IN PROGRESS BETWEEN THE TWO GOVERNMENTS. THERE ARE
ABOUT 20 COUNTRIES AT PRESENT WITH COMMERCIAL NUCLEAR
REACTORS IN OPERATION AND, IF INDIA IS OBLIGED TO EXERCISE
ITS RIGHT TO REPROCESS THE SPENT FUEL AT TARAPUR WHICH
IS LEGALLY ITS PROPERTY UNDER THE ORIGINAL AGREEMENT, THE
U.S. WILL NOT BE ABLE TO COMPEL OTHERS TO MEEKLY COMPLY
WITH THE MORE STRINGENT CONSTRAINTS LAID DOWN BY IT.

BUT A LOT OF HARM HAS ALREADY BEEN DONE BY TREATING
WHAT IS ESSENTIALLY A COMPLEX INTERNATIONAL PROBLEM AS
A BILATERAL ISSUE THOUGH IT IS A MATTER OF PRIMARY
CONCERN TO INDIA AND THE U.S. THE INDIAN ATTEMPTS TO
LOBBY IN WASHINGTON BY CONTACTING PROMINENT CONGRESSIONAL
PERSONALITIES AND PERSONALLY EXPLAINING THE COUNTRY'S
NUCLEAR STAND TO THEM HAS ONLY ADDED AN EXTRA DIMENSION
TO THE DEBATE BY PROVOKING SOME OF THEM TO AIR THEIR
OPPOSITION WITH GREATER VEHEMENCE. IF DURING HIS BRIEF
VISIT TO THE U.S., MR. DESAI GOES ABOUT WITH HIS
GANDHIAN FERVOUR TRYING TO CONVERT EVERYBODY TO HIS
VIEWPOINT, HE WILL BE IN FOR DISAPPOINTMENT. UNTIL
THE CARTER ADMINISTRATION AND CONGRESSIONAL OPINION STARTS
REALISING THAT THIS IS A GAME THAT TWO CAN PLAY WITHOUT
DETRIMENT TO THEIR RESPECTIVE NATIONAL INTERESTS, THERE
CAN BE NO WAY OF AVOIDING A NORTH-SOUTH CLEAVAGE OVER THE
VERY SCOPE AND PURPOSE OF NON-PROLIFERATION. END TEXT.
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END UNCLASSIFIED.

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COMMENT: AS THE DEPARTMENT IS AWARE, G.K. REDDY IS PERHAPS THE BEST INFORMED INDIAN CORRESPONDENT IN DELHI. HE HAS TAKEN A PARTICULAR INTEREST IN NUCLEAR AFFAIRS AND HAS BEEN USED IN THE PAST TO GET ACROSS THE VIEWS OF THE GOI AND BUREAUCRATIC GROUPS WITHIN IT. THEY HAVE LEARNED THAT THEY CAN COUNT ON REDDY TO PRESENT WITH CONSIDERABLE ACCURACY INFORMATION AND ATTITUDES THEY FEED TO HIM. REDDY'S TIES WITH THE PM'S PRINCIPAL SECRETARY, V. SHANKAR, ARE QUITE CLOSE, AND IT MAY BE THAT IT WAS SHAKAR AS WELL AS SOURCES WITHIN MEA AND ELSEWHERE WHICH HELPED INSPIRE REDDY TO WRITE CERTAIN ELEMENTS OF THIS ARTICLE.

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GOHEEN

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